

AMENDED IN SENATE JUNE 26, 2000
AMENDED IN ASSEMBLY MAY 15, 2000
AMENDED IN ASSEMBLY APRIL 10, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2548

Introduced by Assembly Member Cox
(Coauthor: Assembly Members Steinberg and Thomson)
(Coauthors: Senators Johannessen, Johnston, and Ortiz)

February 24, 2000

An act to add Section 12751.3 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2548, as amended, Cox. Municipal utility districts: purchases.

The Municipal Utility District Act generally requires the purchase of supplies and materials by a municipal utility district to be let by contract to the lowest responsible bidder when the expenditure is in excess of \$25,000, or, in any district with a population of 250,000 or more, in excess of \$50,000, with annual adjustments to those dollar limits.

This bill would authorize the board of a district to provide for the purchase of supplies and materials, when the expenditure required exceeds \$50,000, by contract let in accordance with best value *at the lowest cost* acquisition, as defined, ~~policies adopted by the board~~. The bill would require a district that elects to purchase supplies and materials by

contract let in accordance with those policies to submit a specified report to the Legislature, ~~as prescribed.~~

This bill would require that all businesses have a fair and equitable opportunity to compete for, and participate in, district contracts awarded pursuant to its provisions and would prohibit discrimination in the award and performance of those contracts.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12751.3 is added to the Public
2 Utilities Code, to read:

3 12751.3. (a) Notwithstanding Section 12751, a district
4 may provide for the purchase of supplies and materials,
5 when the expenditure required exceeds fifty thousand
6 dollars (\$50,000), by contract let in accordance with best
7 value *at the lowest cost* acquisition policies adopted by
8 the board pursuant to this section. ~~The board may~~
9 ~~authorize the general manager to act for the board in~~
10 ~~determining a best value bidder in accordance with best~~
11 ~~value acquisition policies and to award a contract to that~~
12 ~~bidder.~~

13 (b) The best value *at the lowest cost* acquisition
14 policies adopted pursuant to subdivision (a) shall
15 consider, but not be limited to, all of the following:

16 (1) Price and service level proposals that reduce the
17 district's overall operating costs.

18 (2) Supplies and materials standards that support the
19 district's strategic supplies and materials acquisition and
20 management program direction.

21 (3) A procedure for protest and resolution.

22 (4) Any other factors the board determines to be
23 relevant.

24 (c) For purposes of this section, ~~the term "best value~~
25 *"best value" means any factor or criterion established by*
26 *a district to ensure that its business needs and goals are*
27 *effectively met and that the district obtains the most*
28 *value for an authorized acquisition. The term 'best value*

1 *at the lowest cost* acquisition” means a competitive
2 procurement process whereby the award of a contract for
3 supplies and materials may take into consideration any of
4 the following factors:

5 (1) The total cost to the district of its use or
6 consumption of supplies and materials.

7 (2) The operational cost or benefit incurred by the
8 district as a result of contract award.

9 (3) The value to the district of vendor-added services.

10 (4) The quality, effectiveness, and innovation of
11 supplies, materials, and services.

12 (5) The reliability of delivery or installation schedules.

13 (6) The terms and conditions of product warranties
14 and vendor guarantees.

15 (7) The financial stability of the vendor.

16 (8) The vendor’s quality assurance program.

17 (9) The vendor’s experience with the provision of
18 supplies, material, and services.

19 (10) The consistency of the vendor’s proposed
20 supplies, materials, and services with the district’s overall
21 supplies and materials procurement program.

22 (d) If a district elects to purchase supplies and
23 materials by contract, let in accordance with best value
24 acquisition policies adopted by the board pursuant to this
25 section, the district shall submit a report to the
26 Legislature not later than three years from the date on
27 which the district commences those procurement
28 practices. The district shall include in the report a
29 summary of the costs and benefits of best value
30 acquisition compared to traditional low bid procurement
31 practices, the effect of best value procurement practices
32 on small businesses, the nature of any disputes arising
33 from the use of best value procurement practices, and the
34 status of those disputes.

35 (e) *For purposes of this section, a district shall ensure*
36 *that all businesses have a fair and equitable opportunity*
37 *to compete for, and participate in, district contracts and*
38 *shall also ensure that discrimination in the award and*
39 *performance of contracts does not occur on the basis of*
40 *race, color, sex, national origin, marital status, sexual*

- 1 *preference, creed, ancestry, medical condition, or*
- 2 *retaliation for having filed a discrimination complaint in*
- 3 *the performance of district contractual obligations.*

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